

# Our Remuneration

Pangea Financial Services Limited acts as an intermediary between you, the consumer, and the product provider with whom we place your business.

## **The background.**

Pursuant to provision 4.58A of the Central Bank of Ireland's September 2019 Addendum to the Consumer Protection Code, all intermediaries, must make available in their public offices, or on their website if they have one, a summary of the details of all arrangements for any fee, commission, other reward or remuneration provided to the intermediary which it has agreed with its product producers.

## **What is a commission?**

For the purpose of this document, remuneration is the payment earned by the intermediary for work undertaken on behalf of both the provider and the consumer. The amount of remuneration is generally directly related to the value of the products sold.

## **Details of Commission Range.**

Our firm's commission options are displayed as a range, showing the maximum amount which can be received. The level of commission depends on individual circumstances, based on the following factors:

- The firm's discretion
- Whether the level of commission is negotiable
- Client relationship
- Length / Term of the policy or contract
- Size of the investment
- Commercial decision
- Complexity of the case
- Product constraints/rules set by the product provider

There are different types of remuneration/commission models:

**Single commission model:** where payment is made to the intermediary shortly after the sale is completed and is based on a percentage of the premium paid/amount invested/amount borrowed.

**Trail/Renewal commission model:** Further payments at intervals are paid throughout the product's life span.

## **Indemnity commission.**

Indemnity commission is the term used to describe a commission payment made before the commission is deemed to be 'earned'. Indemnity commission may be subject to a clawback (see below) if the consumer lapses or cancels the product before the commission is deemed to be earned. Other forms of indemnity commissions are advances for future sales granted to intermediaries to assist with set-up costs or business development.

## **Sustainability Factors**

When assessing products, we will consider the different approaches taken by product providers in terms of integrating sustainability risks into their product offerings. This will form part of our analysis for choosing a product provider.

#### **Life Assurance/Investments/Pension products.**

For Life Assurance products, the commission is divided into initial commission and renewal commission (related to premium), fund-based or trail (relating to accumulated funds). Trail commission, bullet commission, fund-based, flat commission or renewal commission are all terms used for ongoing payments. Where an investment fund is being built up through an insurance-based investment product or a pension product, the increments may be based on a percentage of the value of the fund or the annual premium. For a single premium/lump sum product, the increment is generally based on the value of the fund. Life Assurance products fall into individual or group protection policies, and Pension products would be single or regular contribution policies. Examples of products include Life Protection, Regular Premium Life Assurance Investments, Single Premium (lump sum) Insurance-based Investments, and Single Premium Pensions.

#### **Credit Products/Mortgages.**

Commission may be earned by intermediaries for arranging credit for consumers, such as mortgages. The single, or standard, commission model is the most common commission model applied to the sale of mortgage products by mortgage credit intermediaries (Mortgage Broker).

#### **Clawback.**

Clawback is an obligation on the intermediary to repay unearned commissions. Commission can be paid directly after a contract is concluded but is not deemed 'earned' until after a specified period. If the consumer cancels or withdraws from the financial product within the specified time, the intermediary must return the commission to the product producer.

#### **Fees.**

The firm may also be remunerated by fee by the product producer such as policy fee, admin fee, or in the case of investment firms, advisory fees.

#### **Preferred Provider Rate.**

##### **Other Fees, Administrative Costs/ Non-Monetary Benefits**

The firm may also be in receipt of other fees, administrative costs, or non-monetary benefits such as:

- Attendance at product provider educational seminars
- Assistance with Advertising/Branding

# Maximum Commission Rates

Single Contribution Products	Initial Commission	Clawback Period	Trail Commission
<b>Single Contribution Pension</b>			
Aviva	5%	5 Years	1% p.a.
Irish Life	5%		0.75% p.a.
New Ireland	5%		1% p.a.
Standard Life	5%		1% p.a.
Zurich Life	5.5%		0.5% p.a.
<b>Single Contribution PRSA</b>			
Aviva	4%	5 Years	0.5% p.a.
Irish Life	5%		0.75% p.a.
New Ireland	7%		0.5% p.a.
Standard Life	5%		0.5% p.a.
Zurich Life	5.5%		0% p.a.
<b>ARF</b>			
Aviva	5%	n/a	1% p.a.
Irish Life	5%		0.75% p.a.
New Ireland	5%		1% p.a.
Standard Life	4%		1% p.a.
Zurich Life	5%		0.5% p.a.
<b>Annuity</b>			
Aviva	3%	n/a	n/a
Irish Life	3%		n/a
New Ireland	3%		n/a
Zurich Life	3%		n/a

Regular Contribution Products	Initial Commission	Clawback Period	Renewal/Flat Commission	Trail Commission
<b>Regular Contribution Pension</b>				
Aviva	15%			1% p.a.
Irish Life	17.5%		5%	0.5% p.a.
New Ireland	25%	5 Years	8%	1% p.a.
Standard Life	25%		5%	1% p.a.
Zurich Life	20%	4 Years	3%	0.5% p.a.
<b>Regular Contribution PRSA</b>				
Aviva	22.5%			0.5% p.a.
Irish Life	17.5%		5%	0.5% p.a.
New Ireland	25%	5 Years	6%	0.5% p.a.
Standard Life	5%		5%	0.5% p.a.
Zurich Life	5%	4 Years	5%	0% p.a.
<b>Savings</b>				
Aviva	15%			1% p.a.
Irish Life	5.5%		5.5%	0.5% p.a.
New Ireland	10%	5 Years	2.5%	0.5% p.a.
Standard Life	15%	5 Years	n/a	1% p.a.
Zurich Life	10%	4 Years	1%	0.5% p.a.

Individual Protection	Yr1	2	3	4	5	6	7	8	9+	Clawback Period
Aviva	200%	30%	30%	30%	30%	30%	30%	30%	30%	2 years
Irish Life	120%	28%	30%	28%	28%	30%	28%	28%	28%	
New Ireland	225%	50%	20%	20%	20%	12.5%	12.5%	12.5%	12.5%	5 Years
Royal London	225%	0%	0%	0%	0%	3%	3%	3%	3%	5 Years
Zurich Life	100%	12%	12%	12%	12%	12%	12%	12%	12%	1 Year

Group Protection	Death In Service	Clawback Period	Permanent Health Insurance	Clawback Period
Aviva	6%		12.5%	
Irish Life	6% p.a.		12.5% p.a.	
New Ireland	15%	1 year	20%	1 Year
Zurich Life	6%	n/a	12.5%	n/a

Group Protection	Commission	Clawback Period
Finance Ireland	1%	3 Years
Haven	1%	3 Years
ICS	1%	3 Years
KBC Bank	1%	3 Years
PTSB	1%	3 Years